



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CECW-SAD (1105-2-10a)

22 DEC 2004

SUBJECT: Lido Key, Sarasota County, Florida

THE SECRETARY OF THE ARMY

1. I submit, for transmission to Congress, my report on the study of hurricane and storm damage reduction for Lido Key, Sarasota County, Florida. It is accompanied by the report of the district and division engineers. These reports are in full response to the Resolution, Docket 2458, adopted on 14 September 1995, by the Committee on Transportation and Infrastructure of the House of Representatives. The resolution requested the Secretary of the Army to determine the advisability of providing a hurricane and storm damage reduction project for Lido Key.

2. A shore protection project for Lido Key, Sarasota, Florida, was authorized by Section 101 of the Rivers and Harbors Act of 1970. The project was never completed and was subsequently deauthorized on 1 January 1990 in accordance with the provisions of Section 1001(b)(1) of the Water Resources Development Act (WRDA) of 1986. Section 364(2) of WRDA 1999 reauthorized the project subject to a determination by the Assistant Secretary of the Army (Civil Works) that the project is technically sound, environmentally acceptable, and economically justified. The currently authorized project provides for a 25-foot berm over a 6,200-foot-long (1.2 miles) reach along the shoreline of Lido Key and for periodic nourishment for a 50-year period. The total authorized first cost of the project was \$5,200,000, and the authorized average annual cost of periodic nourishment was \$602,000.

3. The reporting officers recommend modification of the Lido Key, Sarasota, Florida, shore protection project. The modified project provides for initial construction and periodic nourishment of an 80-foot-wide beach berm at elevation +5 feet National Geodetic Vertical Datum over 1.56 miles of shoreline, with a groin field at the southern limits of the project. Periodic nourishment, accomplished at 5-year intervals, would optimize net benefits over the 50-year period of analysis. The estimated volume of fill for initial project construction is 1,074,700 cubic yards, which includes placement of 614,500 cubic yards for the first nourishment. The source of fill material is three borrow areas located between 7.2 and 9.5 nautical miles offshore.

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The project was designed to avoid and minimize adverse environmental effects such that no mitigation is required.

4. Based on October 2004 price levels, the total first cost for construction of the recommended plan is \$14,809,000. Based upon the requirements of WRDA 1986, as amended, cost sharing for initial construction will be 62.4 percent Federal and 37.6 percent non-Federal based on shoreline ownership and use. The estimated total Federal first cost of construction is \$9,088,000 and the estimated total non-Federal first cost of construction is \$5,721,000. Total periodic nourishment costs, stated at October 2004 prices, are estimated to be \$63,606,000 over the 50-year period following construction. The ultimate project cost, including initial construction and periodic nourishment, is estimated to be \$78,415,000 at October 2004 prices. The average annual cost of future periodic nourishment is estimated to be \$1,172,700, based on a Federal discount rate of 5.375 percent and a 50-year period of Federal participation in cost sharing. Cost sharing of periodic nourishment would be in accordance with WRDA 1986, as amended, subject to the availability of appropriations. All costs for operation, maintenance, repair, rehabilitation, and replacement of the recommended project are the responsibility of the non-Federal sponsor.

5. The recommended plan is the national economic development plan. Based on October 2003 prices and a Federal discount rate of 5.625 percent, the estimated average annual cost of the recommended plan is \$2,039,800, average annual benefits are \$5,060,000, and average annual net benefits are \$3,020,200. The project's benefit-to-cost ratio is 2.5 to 1.0.

6. Washington level review indicates that the project is technically sound, environmentally acceptable, and economically justified. The plan conforms with essential elements of the U.S. Water Resources Counsel's Economic and Environmental Principles for Water and Related Land Resources Implementation studies and complies with other administration and legislative policies and guidelines. Also, the views of interested parties, including Federal, State, and local agencies have been considered.

7. The current project is significantly different than the project authorized by Section 364(2) of the WRDA of 1999 and exceeds the maximum project cost allowed by Section 902 of the WRDA of 1986. I concur with the findings, conclusions, and recommendation of the reporting officers. Accordingly, I recommend that the authorized project for hurricane and storm damage reduction for Lido Key, Sarasota County, Florida, be modified generally in accordance with the reporting officers' recommended plan, with such modifications as in the discretion of the Chief of Engineers may be advisable. My recommendation is subject to cost sharing, financing, and other applicable requirements of Federal and State laws and policies, including the WRDA of 1986, as amended, and in accordance with the following local cooperation requirements which the non-Federal sponsor must agree to prior to project implementation:

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a. Provide 35 percent of initial project costs assigned to hurricane and storm damage reduction, plus 50 percent of initial project costs assigned to protecting undeveloped public lands, plus 50 percent of initial project costs assigned to recreation, plus 100 percent of initial project costs assigned to protecting undeveloped private lands and other private shores which do not provide public benefits; and 50 percent of periodic nourishment costs assigned to hurricane and storm damage reduction, plus 100 percent of periodic nourishment costs assigned to protecting undeveloped private lands and other private shores which do not provide public benefits; and as further specified below:

(1) Enter into an agreement which provides, prior to execution of the project cooperation agreement, 25 percent of design costs;

(2) Provide, during the first year of construction, any additional funds needed to cover the non-federal share of design costs;

(3) Provide all lands, easements, and rights-of-way, and perform or ensure the performance of all relocations determined by the Federal Government to be necessary for the initial construction, periodic nourishment, operation, and maintenance of the project;

(4) Provide, during construction, any additional amounts as are necessary to make its total contribution equal to 35 percent of initial project costs assigned to hurricane and storm damage reduction plus 100 percent of initial project costs assigned to protecting undeveloped private lands and other private shores which do not provide public benefits and 50 percent of periodic nourishment costs assigned to hurricane and storm damage reduction plus 100 percent of periodic nourishment costs assigned to protecting undeveloped private lands and other private shores which do not provide public benefits;

b. Provide the non-Federal share of that portion of the costs of mitigation and data recovery activities associated with historic preservation, that are in excess of 1 percent of the total amount authorized to be appropriated for the project, in accordance with the cost sharing provisions of the agreement;

c. Do not use Federal funds to meet the non-Federal Sponsor's share of total project costs unless the Federal granting agency verifies in writing that the expenditure of such funds is authorized;

d. Operate, maintain, repair, replace and rehabilitate the project, or functional portion of the project, including mitigation, at no cost to the Federal Government, in a manner compatible with the project's authorized purposes and in accordance with applicable Federal and State laws and regulations and any specific directions prescribed by the Federal Government;

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e. Give the Federal Government a right to enter, at reasonable times and in a reasonable manner, upon property that the Non-Federal Sponsor, now or hereafter, owns or controls for access to the project for the purpose of inspecting, operating, maintaining, repairing, replacing, rehabilitating, or completing the project. No completion, operation, maintenance, repair, replacement, or rehabilitation by the Federal Government shall relieve the Non-Federal Sponsor of responsibility to meet the Non-Federal Sponsor's obligations, or to preclude the Federal Government from pursuing any other remedy at law or equity to ensure faithful performance;

f. Hold and save the United States free from all damages arising from the initial construction, periodic nourishment, operation, maintenance, repair, replacement, and rehabilitation of the project and any project-related betterments, except for damages due to the fault or negligence of the United States or its contractors;

g. Perform, or cause to be performed, any investigations for hazardous substances that are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), Public Law 96-510, as amended (42 U.S.C. 9601-9675), that may exist in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be required for the initial construction, periodic nourishment, operation, and maintenance of the project. However, for lands that the Federal Government determines to be subject to the navigation servitude, only the Federal Government shall perform such investigations unless the Federal Government provides the Non-Federal Sponsor with prior specific written direction, in which case the Non-Federal Sponsor shall perform such investigations in accordance with such written direction;

h. Assume, as between the Federal Government and the non-Federal Sponsor, complete financial responsibility for all necessary cleanup and response costs of any CERCLA regulated materials located in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the initial construction, periodic nourishment, operation, or maintenance of the project;

i. Agree that, as between the Federal Government and the Non-Federal Sponsor, the Non-Federal Sponsor shall be considered the operator of the project for the purpose of CERCLA liability, and to the maximum extent practicable, operate, maintain, and repair the project in a manner that will not cause liability to arise under CERCLA;

j. For so long as the project remains authorized, the Non-Federal Sponsor shall ensure continued conditions of public ownership and use of the shore upon which the amount of Federal participation is based;

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k. Provide and maintain access roads, parking areas, and other public use facilities, open and available to all on equal terms;

l. Prevent obstructions of or encroachments on the project (including prescribing and enforcing regulations to prevent such obstruction or encroachments) which might reduce the level of protection it affords, hinder operation and maintenance or future periodic nourishment, or interfere with its proper function, such as any new developments on project lands or the addition of facilities which would degrade the benefits of the project;

m. Publicize floodplain information in the area concerned and provide this information to zoning and other regulatory agencies for their use in preventing unwise future development in the floodplain, and in adopting such regulations as may be necessary to prevent unwise future development and to ensure compatibility with protection levels provided by the project;

n. At least twice annually and after storm events, perform surveillance of the beach to determine losses of nourishment material from the project design section and provide the results of such surveillance to the Federal Government;

o. Not less than once each year, inform affected interests of the extent of protection afforded by the project;

p. Keep and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project, for a minimum of 3 years after completion of the accounting for which such books, records, documents, and other evidence is required, to the extent and in such detail as will properly reflect total costs of construction of the Project, and in accordance with the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments at 32 Code of Federal Regulations (CFR) Section 33.20;

q. Comply with Section 221 of Public Law 91-611, Flood Control Act of 1970, as amended (42 U.S.C. 1962d-5), and Section 103 of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2213), which provides that the Secretary of the Army shall not commence the construction of any water resources project or separable element thereof, until the non-Federal sponsor has entered into a written agreement to furnish its required cooperation for the project or separable element;

r. Comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army", and all applicable Federal

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labor standards and requirements, including but not limited to, 40 U.S.C. 3141- 3148 and 40 U.S.C. 3701 – 3708 (revising, codifying and enacting without substantial change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c *et seq.*);

s. Comply with Section 402 of the Water Resources Development Act of 1986, as amended (33 U.S.C. 701b-12), which requires a Non-Federal interest to participate in and comply with applicable Federal floodplain management and flood insurance programs, prepare a flood plain management plan within one year after the date of signing a Project Cooperation Agreement, and implement the plan not later than one year after completion of construction of the project; and,

t. Comply with all applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655), and the Uniform Regulations contained in 49 CFR Part 24, in acquiring lands, easements, and rights-of-way, necessary for the initial construction, periodic nourishment, operation, and maintenance of the project, including those necessary for relocations, borrow materials, and dredged or excavated material disposal, and inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

8. The recommendation contained herein reflects the information at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities in the formulation of a national civil works construction program nor the perspective of higher review levels within the executive branch. Consequently, the recommendation may be modified before it is transmitted to the Congress as a proposal for authorization and implementation funding. However, prior to transmittal to the Congress, the sponsor, the State, interested Federal agencies, and other parties will be advised of any significant modifications and will be afforded an opportunity to comment further.



CARL A. STROCK
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Chief of Engineers